



TOWN OF GROTON

PLANNING AND DEVELOPMENT SERVICES

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Senator Maynard, Representative Guerrero, Members of the Transportation,

I am submitting testimony in support of Proposed Bill No. 6367, "An Act Concerning a Change to the Boundaries of the Groton-New London Airport Development Zone."

Since May 2014, the Town of Groton and the City of New London have been working toward establishing an Airport Development Zone (ADZ) to support the Groton-New London Airport. The key elements to an ADZ proposal are a map highlighting the area proposed as the ADZ and an economic impact study that explains the economic benefit of establishing the zone. Attachment 1 provides some background information regarding Airport Development Zones.

The challenge for Groton-New London Airport is in how the boundary of the ADZ is defined. Connecticut General Statutes § Sec. 32-75d states that "no Airport Development Zone shall extend beyond a two-mile radius of the applicable General Aviation Airport or other airport without approval of the General Assembly." Given the Groton-New London Airport's location adjacent to Fishers Island Sound, this would mean that approximately 5,000 acres of "land" in the of the Airport Development Zone would be underwater and completely undevelopable (Attachment 2). As a result, Groton & New London are proposing to shift the Airport Development Zone boundary to the north (Attachment 3). This would mean that the airport would be the southern boundary for the proposed ADZ instead being at the center of the zone.

A shift of the zone would allow several large underdeveloped areas in Groton to benefit from the ADZ. These properties are located within easy access to Interstate 95 and the airport property, and would be prime locations for airport dependent uses. The shifted Airport Development zone would also include New London's deep water port, Foreign Trade Zone and multi-modal transportation center, therefore linking Groton more closely to these regional assets.

I ask for you to support growing the Groton-New London Airport by supporting Proposed Bill No. 6367.

Kristin Havrilla Clarke, Economic Development Specialist

Attachments

1. Background information: Airport Development Zones
2. Map: Groton-New London Airport Development Zone defined by CGS (black & white copy)
3. Map: Proposed shift in location for Groton-New London Airport Development Zone (color copy)

What is an airport development zone?

In 2011, the Connecticut General Assembly passed legislation enabling the creation of Airport Development Zones. While the legislation was intended to create a zone surrounding Bradley International Airport, it has since been modified to enable all General Aviation (GA) airports adopt similar zones. In 2013, Waterbury-Oxford Airport was successful in its quest to establish an Airport Development Zone surrounding its general aviation airport. This was the first designation for a GA airport in Connecticut.

The Connecticut Airport Authority (CAA) is responsible for ensuring that the economic development potential of Connecticut's five GA airports, in addition to Bradley International Airport, is realized, and that appropriate business, strategic and marketing plans for the airports and surrounding areas are established. The Connecticut General Statutes allow for the designation of an economic benefit zone surrounding general aviation airports in order to provide economic incentives for businesses that grow or locate within the area.

The 2011 Special Session of the CT General Assembly, outlined the process by which the communities around the individual GA airports could request creation of Airport Development Zones within a two mile radius of their respective airports. The eligible airports are Danielson, Groton-New London, Hartford-Brainard, Waterbury – Oxford, and Windham. The process requires that the eligible communities work with the CT Department of Economic and Community Development (DECD) to identify specific areas which they wish to include, and that the DECD evaluate the economic impact to the State of Connecticut. Upon recommendation by the DECD, the proposed area is outlined and forwarded to the CAA.

How are the boundaries of an airport development zone defined?

The geographical scope of the proposed Airport Development Zone, including designation of all census blocks that the Commissioner of the DECD proposes incorporating into the Airport Development Zone, provided (i) each Airport Development Zone shall be in accordance with the applicable General Aviation Airport's or other airport's master plan, and (ii) no Airport Development Zone shall extend beyond a two-mile radius of the applicable General Aviation Airport or other airport without approval of the General Assembly

As to the geographical scope, the DECD shall provide a map that is logically coded and sufficiently specific and detailed for the CAA to clearly view the following: the subject Airport; the existing Airport Development Zone (if any); the proposed Airport Development Zone; the 2-mile radius surrounding the Airport. The DECD shall also indicate any existing manufacturing facilities that have been issued a certificate pursuant to Conn. Gen. Stat. §32-9r.

Why is legislation needed for Groton-New London Airport?

Pursuant to CGS § Sec. 32-75d , an ADZ is allowed to extend 2-miles from the boundary of an airport. In the case of Groton-New London airport, this means that the area would extend into Fishers Island Sound.

As a result, Groton & New London are proposing to shift the Airport Development Zone boundary to the north. This would mean that the airport would be the southern boundary for the proposed ADZ instead of being at the center of the zone. This proposed shift of the zone will require a Special Act of the Connecticut General Assembly because of how the enabling legislation is written.





General Aviation Airport Development Zones

The Connecticut Airport Authority (CAA) is responsible for ensuring that the economic development potential of Connecticut's five General Aviation (GA) airports, in addition to Bradley International Airport, is realized, and that appropriate business, strategic and marketing plans for the airports and surrounding areas are established.

In the 2011 Special Session of the CT General Assembly, the process was outlined in which the communities around the individual GA airports could request creation of Airport Development Zones within a two mile radius of their respective airports. The eligible airports are Danielson, Groton-New London, Hartford-Brainard, Waterbury – Oxford, and Windham. The process requires that the eligible communities start with the CT Department of Economic and Community Development (DECD) by identifying specific areas which they wish to include, and that the DECD evaluate the economic impact to the State of Connecticut. Upon recommendation by the DECD, the proposed area is outlined and forwarded to the CAA. The specific procedure has been adopted by the CAA and is titled "Airport Development Zone Designation Procedure: CAA-ADZ-Zone" This information is available from the CAA offices at the address below, or at www.ctairports.org.

Below are a few of the highlights of the program as created by the CT General Assembly and formalized by the CAA:

Goals:

- Create new jobs
- Attract new capital
- Increase tax revenue to the state and municipalities in the region

Business Requirements:

- Businesses qualify for ADZ's tax incentives if the organization(s) acquires or leases an idle facility or constructs, substantially renovates or expands the facility and uses it for specified purposes
- Eligible uses include:
 - Manufacturing
 - Performing research and development directly related to manufacturing
 - Significantly servicing, overhauling or rebuilding machinery and equipment for industrial uses
 - Warehousing and distribution uses
 - If in the opinion of the CAA, in consultation with the Commissioner of the Department of Economic and Community Development (DECD) the applicant's business depends upon or relates directly to the airport

Property Tax Incentives:

- Newly constructed, renovated, or expanded facilities qualify for an exemption based on the value of the improvement
- The exemption equals 80% of improvement's assessed value and it is good for five years
- Acquired facilities qualify for the same exemption, but it is based on the assessed value of the acquired section. This exemption is also good for five years
- Businesses developing or acquiring a facility in the ADZ also qualify for a five-year, 80 percent exemption on assessed value of machinery and equipment it installs in the facility as part of its development or acquisition

Corporation Business Tax Credits:

- Businesses that qualify for property tax exemptions also qualify for a 10-year corporation business tax credit equal to the portion of the tax attributable to the facility (the law specifies how businesses must calculate the amount.)

About the Connecticut Airport Authority:

The legislation creating the Connecticut Airport Authority (CAA) was signed into law in July 2011 with the goal of transforming Bradley International and the state's five general aviation airports, including Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham into vibrant economic drivers for the state. The CAA, a quasi-public agency, has the flexibility and autonomy to streamline the process for getting things done and be responsive to economic opportunities for the airports.

The 11-member board brings together a broad spectrum of business and management acumen with members from across aviation-related and other businesses in Connecticut, as well as from state government. Board members have experience and expertise in government, financial planning, budgeting and assessment, marketing, master planning, aviation and transportation management.

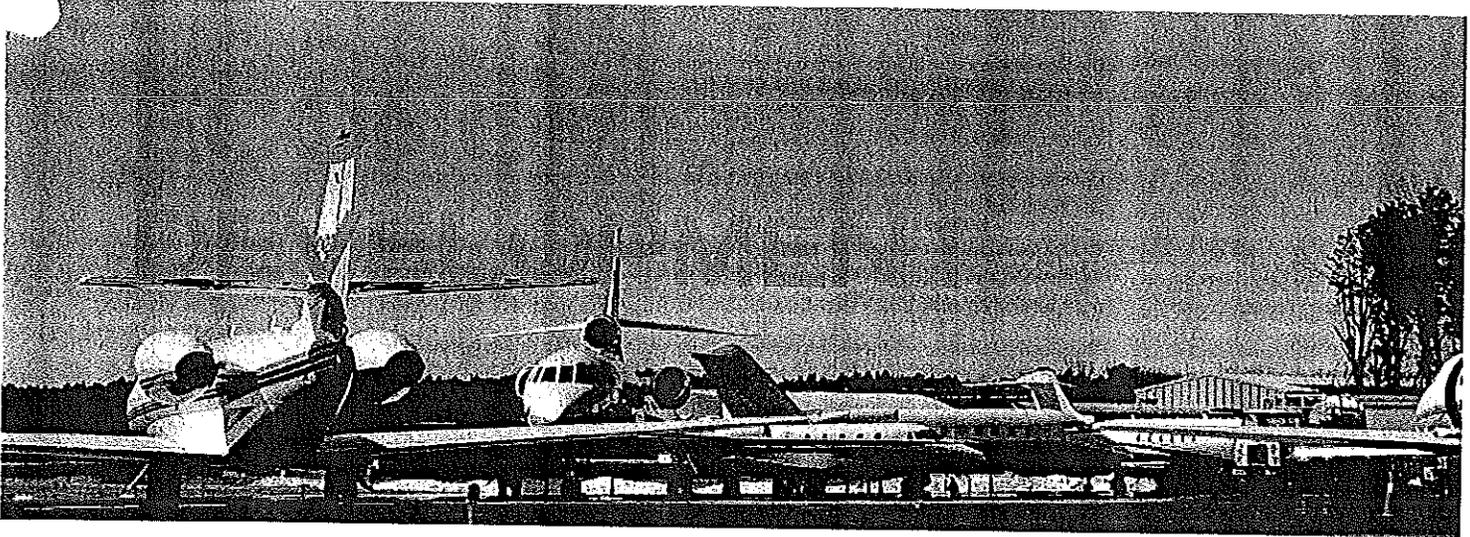
For more information on the Bradley Airport Development Zone contact:

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DESIGNATION PROCEDURE: CAA-ADZ-ZONE

LEGISLATIVE HISTORY, PURPOSE AND GENERAL BACKGROUND:

Prior to the passage of Public Act 11-1 of the October, 2011 Special Session of the Connecticut General Assembly, the Connecticut Department of Economic Development ("DECD") was exclusively authorized and charged with the responsibility and duties of certifying an Airport Development Zone as defined in Connecticut General Statutes §32-9p.

Connecticut General Statutes §15-120cc(a)(6), (a)(7) and (a)(9) requires the Connecticut Airport Authority ("CAA") to ensure that the economic development potential of Bradley International Airport, the General Aviation Airports and other airports are realized, and that appropriate business, strategic and marketing plans for the airports and surrounding areas are established.

Pursuant to Connecticut General Statutes § Sec. 32-75d, the CAA may establish additional Airport Development Zones surrounding any of the General Aviation Airports, as defined in section 15-120aa, or any other airport within the duty, power and authority of the CAA, as defined in section 15-120cc, upon receipt from the Commissioner of the DECD of a proposal recommending the establishment of such a Zone.

The CAA hereby establishes the following process to receive, investigate, evaluate and approve Airport Development Zone proposals from the DECD.

Proposal From DECD and Review by the CAA (60 Days)

Proposal from the Department of Economic and Community Development:

Pursuant to Connecticut General Statutes § Sec. 32-75d, the Commissioner of the DECD shall submit any Airport Development Zone proposal to the CAA if the Commissioner determines that the economic development benefits of establishing a new Airport Development Zone outweigh the anticipated costs to the State and the affected municipalities. Any such proposal shall comply with the State and any applicable local plan of conservation and development adopted pursuant to chapter 297.

A proposal submitted by the Commissioner of the DECD shall include, but not be limited to, an identification of:

- (A) The geographical scope of the proposed Airport Development Zone, including designation of all census blocks that the Commissioner of the DECD proposes incorporating into the Airport Development Zone, provided (i) each Airport Development Zone shall be in accordance with the applicable General Aviation Airport's or other airport's master plan, and (ii) no Airport Development Zone shall extend beyond a two-mile radius of the applicable General Aviation Airport or other airport without approval of the General Assembly;
- (B) The economic development benefits anticipated from the establishment of such Airport Development Zone, including the nature of the business and industry that will be developed and the anticipated number of jobs created; and
- (C) The anticipated costs of establishing the Airport Development Zone.

The following information shall also be provided to the CAA by the DECD with the Airport Development Zone proposal as supplemental information and/or integrated as part of the foundation of the DECD's proposal:

As to the geographical scope, the DECD shall provide a map that is logically coded and sufficiently specific and detailed for the CAA to clearly view the following: the subject Airport; the existing Airport Development Zone (if any); the proposed

Airport Development Zone; the 2-mile radius surrounding the Airport. The DECD shall also indicate any existing manufacturing facilities that have been issued a certificate pursuant to Conn. Gen. Stat. §32-9r.

As to the economic development benefits and the anticipated costs, the DECD shall provide detailed information that was relied upon by the Commissioner of the DECD to conclude that the economic development benefits of establishing the Airport Development Zone outweigh the anticipated costs to the State and the affected municipalities. This information may be in the form of an economic impact study and may include financial projections as to future anticipated growth as well as grand list impacts.

The CAA reserves the right to prescribe forms to be completed by the DECD and/or to require the DECD to provide additional information in order to properly evaluate the proposal.

Duties / Powers of the CAA:

Upon receipt of a proposal from the DECD, the CAA will review the proposal for compliance with Conn. Gen. Stat. §32-75d and this policy and if complete, shall acknowledge receipt to the DECD via letter.

The CAA will provide copies of the proposal to the Chief Elected Officials of each potentially affected municipality located in the 2-mile radius of the subject Airport with a request to provide written comment to the CAA within a specified time period not to exceed 60 days.

The proposal shall be referred to the Outreach Committee of the CAA Board for review and evaluation. The CAA may request additional information from the DECD or from any outside party as part of its evaluation of the proposal and may employ or consult with outside experts as needed.

If CAA wishes to modify the geographic scope of the proposed Airport Development Zone to improve the balance between the anticipated economic benefit and the cost to the State and affected municipalities, they shall work with DECD to make adjustments.

A new airport development zone shall be deemed established upon approval by a majority vote of a quorum of CAA Board members at a regular or special meeting. The CAA shall submit a report to the Commissioner of DECD identifying all census blocks comprising the new airport development zone within 5 days of such approval.